

BOARD MEETING 6/17/97

The meeting was opened by Ron Kirstien at 11:15a.m.
At that time each member was given a form with Account
Information on it by Mr. McDonald. Each member took a
Few minutes to review the information.

Mr. Kirstien wanted to know why Mr. McDonald's and Mrs.
Robertson figures did not match?

Mr. Habeck explained to him that they have two different
Systems, but each were effective.

Mr. McDonald's system keeps an accurate record on current
As well as , open account for the proceeding month, Mrs.
Robertson's records are of current accounts only, but at the
End of the month the totals still match.

Mr. Kirstien wanted to know where the company stands
With unpaid accounts?

Mr. McDonald stated that J.P. owes money for deductions
But Mrs. Robertson states that they will have the situation
Resolved in 2 weeks.

Mr. Habeck suggested that Mr. McDonald and Mrs. Robertson,
clear up any problems with deductions immediately.
Mr. Habeck also stated that the system of resolving accounts
will not work effectively unless immediate attention is taken.
*NOTE: Equity has been positive all year.

On Accounts Receivable

Mr. Garcia formulated a plan that appears to be the best
Thing since chips and salsa. Everyone agreed that the
Information given to them on 6/17/97 by Mr. Garcia is to
The companies advantage.

Diet To Go owes money to the company. Mr. McDonald
Will try to retrieve .that money owed by the next meeting.

Tropical Foods owes 8,000.00

Mr. McDonald has sent out a collection Agent on this account



And will keep you informed on the progress.

Mr. Kirstien suggested that the company require
A more extensive credit check for new accounts, to
Help keep down the number of new delinquent accounts
*NOTE: At this time the company is making enough
to operate effectively.

It was suggested that a proposal be done for each product,
Just as Mr. Garcia has done in his plan.

It was recommended by Mr. Habeck that the company
Adopt the plan brought to the board by Mr. Garcia.
That was second by Mr. Rosthein and agreed upon
By the remainder of the board member, with a show of
Hands.

*NOTE: Two weeks left in June and the company has
Already equaled last year's sales.

Mrs. Robertson will have a report on Sedexho this week.
Mr. Kirstien suggested to Jim that he have a sheet made
Up with all lead times on it, so that Mrs. Robertson could
Know how long it would take to produce a product at a
Given time.

Mrs. Robertson is monitoring military volume of racks
That are out, she will keep the board informed of the
Progress. Mrs. Robertson is also working on the Edwards
And King _____ Contracts she will have information as
It becomes available.

Mr. Rosthstien made motion that Mrs. Robertson be given
Authority to hire the person whom she has given each
Board member a resume for. In the event that she secures
The Edwards Account and the Military Account.
The Motion Was second by Mr. Habeck and the other
Members agreed with a show of hands.

Mrs. Robertson will go to Giant on Friday to talk with them
About what kind of deal they can come to in regards to Chips
And Packaging , but She and Mr. Garcia will Meet On
Wednesday (6/18/97) to discuss details.

Mr. McDonald will send orders, invoices and check#'s

To Mrs. Robertson so she can have a copy in her file when
Customers call.

*NOTE: Prices will be the same for everyone, But the rebates
will differ according to volume.

Mr. Garcia will have the complete RND on Flavored Chips
On next week, and at the end of August on Rap.

Mr. Garcia is working on a system to prevent short orders
He will keep the board informed on the progress.

Mr. Kirstien would like Mr. Garcia to make sure the Product
Is consistent .

Whenever Mrs. Robertson adjust prices she should get the
Board an explanation of how and why it was done.

Mr. Kirstien motioned for the meeting to be closed at 3:42p.m.
Mr. Rothstien second the motion and it was agreed upon by
All members with a show of hands.

THIS CONCLUDES THE NOTES FOR THE JUNE 17TH,
1997 MEETING.



Chef Garcia Mexican Foods, Inc.

7608-A Fullerton Road • Springfield, VA 22153-2815
Telephone (703) 455-0155 • Fax (703) 451-8917

To: Ron Kirstein

From: Jim Garcia *JG*

Date: July 21, 1997

Re: Board Meeting

I understand Marjorie is in the hospital. I have listed some issues that need to be discussed. Most of them she would have to provide input or an answer. Should we wait until she is able to attend the meeting or do we wish to discuss these topics without her.

JP Foods

- Deductions

Alliant Foods

- Deductions

Giant Payables

- Mike Stecka is now walking invoice and support through the system

Sales budget for June 97

- Under budget by 160K for the year

Sales Department commitments without consulting the parties directly affected

Vacation

- Checks were left for emergencies
- I contacted the office at least once a day.

Samples

- Flavored tortillas were made for a presentation to Giant. They are still at the office.

Status of several projects

Commitment from Sedexho and Sysco

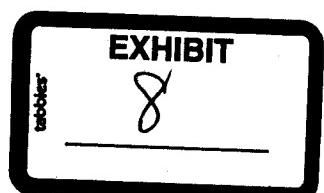
- We need to know the volume.

Contracts

- I request the board approve all contracts regardless of type

Shell ETD

- Customer Service



New Brokers Contracts

Excess inventory at Halperin

HP OfficeJet

Personal Printer/Fax/Copier

Fax Log Report for
Chef Garcia Mexican Foods

703 451-8917

Jul-21-97 11:58 AM

Last Fax

<u>Identification</u>	<u>Result</u>	<u>Pages</u>	<u>Type</u>	<u>Date</u>	<u>Time</u>	<u>Duration</u>	<u>Diagnostic</u>
Ron Kirstein	OK	02	Sent	Jul-21	11:56A	00:00:43	0025c5030022

1.2.0 2.8

FAKED
1-21-97
1:05 PM AG

To: Randy Habeck

From: Jim Garcia

Date: July 21, 1997

Re: Deductions

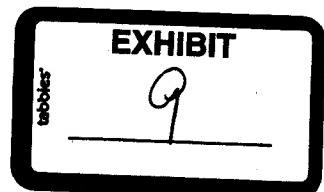
Find enclosed checks from Alliant, Giant, and JP; these are some examples of deductions taken:

- Alliant referenced 5,036.54 then deducted 4,171.86. We only received 17% of the invoices reference.
- Giant referenced 19,570.20 and deducted 16333.83 without providing proof of performance. That adds up to only 17% of the invoices referenced
- JP Foods referenced 3,759.70 and deducted 2,725.36. We do not have support for these deductions. Only 28% of the invoices referenced we received.

We cannot afford to sell the product at these percentages. Instead of selling the product for a profit, we are taking a loss. Please investigate these deductions they are still outstanding on our receivable report.

Thank you.

Cc: Ron Kirstien
Harvey Rothstein
Marjorie Robinson



CHEF GARICIA BOARD MEETING 7/26/97

MEETING CALLED TO ORDER BY RON AT 8:26am

FINANCE:

RANDY M. SENT THE BUDGET TO THE BOARD A FEW DAYS BEFORE THE MEETING. THERE IS AN ADVANTAGE TO HAVING THE BUDGET AHEAD OF TIME IN ORDER TO REVIEW IT BEFORE THE MEETINGS. THEREFORE, RANDY M. WILL CONTINUE TO SEND OUT THE BUDGETS A FEW DAYS BEFORE EACH MEETING.

THERE HAS BEEN A BIG FALL IN CHIP SALES. RANDY SUGGESTS THAT THE COMPANY COMES UP WITH AN AGGRESSIVE CHIP PROMOTION IN ORDER TO GET LONG TERM SALES ON CHIPS. THE IDEA OF CHIPS AND SALSA BEING SOLD TOGETHER WAS DISCUSSED. MARJORIE WILL LOOK INTO MAKING THIS IDEA A REALITY. THE BOARD CAN EXPECT FEEDBACK FROM HER ON THIS ISSUE IN THE NEAR FUTURE. THIS PLAN SHOULD GIVE US A MORE PRODUCTIVE RUN ON CONSECUTIVE SALES OF CHIPS AND SALSA. *(Handwritten mark: a large checkmark-like mark)*

RECEIVABLES:

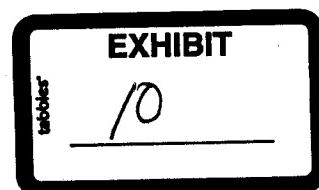
RON REQUESTS THAT MARJORIE CALL EACH COMPANY AND FIND OUT WHAT IS REQUIRED IN ORDER FOR TO HAVE OUR INVOICES PAID IN A TIMELY MANNER. HE SUGGESTS THAT A LIST OF THOSE THINGS REQUIRED IS FORMULATED AND FOLLOWED THROUGH WITH. *(Handwritten mark: a large checkmark-like mark)*

IT WAS BROUGHT TO THE BOARDS ATTENTION THAT MIKE WILL WALK THE INVOICE THROUGH THE PROCESS ON THOSE ACCOUNTS THAT WE ARE CURRENTLY HAVING PROBLEMS WITH. *(Handwritten mark: a large checkmark-like mark)*

RANDY H. SUGGESTS THAT WE MAKE OURSELVES A PRIORITY TO COMPANIES BY MAKING OUR PRESENCE KNOWN. THE WAY TO DO THAT IS TO VISIT THE COMPANIES ONCE A WEEK, MARJORIE WILL BE THE ONE TO DO THIS. SHE WILL UPDATE THE BOARD ON THE EFFECT THAT THIS STRATEGY HAS ON THE COMPANIES.

RANDY M., REMEMBER THAT INVOICE REGISTRIES WITH CHECK DEDUCTIONS NEED TO GO TO MARJORIE AS SOON AS THEY ARE RECEIVED IN ORDER FOR HER TO CLEAR UP THE SITUATION IMMEDIATELY. *(Handwritten mark: a large checkmark-like mark)*

RANDY H. SUGGESTS THAT RANDY M. FAX INVOICES TO THE COMPANIES INSTEAD OF MAILING THEM. THIS WILL HELP TO ADDRESS ANY PROBLEMS THAT THE COMPANY MAY HAVE AS WELL AS INSURE THAT THE INVOICE IS RECEIVED.



SALES:

RON WOULD LIKE MARJORIE TO FORMULATE A PLAN THAT WILL SHOW SALES PROJECTION FOR EXISTING COMPANIES AS WELL AS NEW CLIENTS TO COME. THE PLAN SHOULD BE DONE ON A QUARTERLY BASIS TO MAKE IT MORE SIMPLE.

DAN AND MARJORIE WILL BE MOVING INTO THE CHEF GARCIA OFFICE, IN ORDER TO CREATE A BETTER COMMUNICATION FLOW. MARJORIE WILL CONTINUE TO REPORT TO THE BOARD. YOU CAN EXPECT THIS CHANGE TO TAKE PLACE BY AUGUST 1ST, 1997.

CONGRATULATION MARJORIE AND JIM ON THE SEDECSCO ACCOUNT!

PRODUCTION:

RANDY H. HAS SUGGESTED THAT JIM TAKE A NEW ATTITUDE ON KITCHEN PRODUCTION AND PREPARING FOOD BECAUSE OF THE LARGE VOLUME OF BUSINESS THAT'S ABOUT TO TAKE PLACE BECAUSE OF THE NEW ACCOUNTS. RANDY H. HAS ALSO SUGGESTED A WEEKLY PRODUCTION FORECAST MEETING.

JIM WOULD LIKE TO SEE AN ORDER DAY PUT INTO ACTION, WHERE PRODUCT WOULD BE SENT ONCE A WEEK ON A SPECIFIC DAY.

RANDY H. WOULD LIKE FOR JIM TO CHECK ON THE PRICE OF PACKAGING CHIPS. HE SUGGESTS 16 pack OF 12oz CHIPS PER BOX.

RANDY H. AND RICK WILL DO A COST REVIEW, YOU CAN EXPECT TO HEAR FROM THEM WITH THE RESULTS.

JIM PRESENTED A BUDGET FOR EACH ITEM SOLD IN THE PAST 6 MONTHS, AND EXPLAINED THAT MONEY IS BEING LOST. RON SUGGESTS THAT RANDY H. TAKE A CLOSE LOOK AT THE BUDGET AND GIVE THE BOARD SOME FEEDBACK AND SUGGESTIONS.

IT WAS BROUGHT TO THE BOARDS ATTENTION THAT THERE IS SEVERAL SMALL ACCOUNT THAT NEED TO BE REVIEWED IN ORDER TO DETERMINE THERE VALUES. MARJORIE WILL REVIEW THOSE ACCOUNTS AND GIVE HER RESULTS TO RON IN WRITING UPON COMPLETION.

THE MEETING WAS ENDED AT 12:01pm BY RON

THANK YOU ONCE AGAIN FOR ALLOWING ME THE OPPORTUNITY TO ATTEND YOUR BOARD MEETING (JENNIFER)

To:
Chef Garcia Board
(Per Randy McDonald)

From: Jennifer Graham

MASON, KETTERMAN & MORGAN

ATTORNEYS AT LAW

A PROFESSIONAL ASSOCIATION

SUITE 100
1657 CROFTON BOULEVARD
CROFTON, MARYLAND 21114

(410) 793-0504
FAX (410) 793-0522

January 15, 1998

JAN 15 1998
F A X E D
12:00 1-15

TO FAXSIMILE/MAIL

(410)244-0356

David F. Albright, Sr., Esquire
Albright, Brown & Goertemiller
120 East Baltimore Street
Suite 2150
Baltimore, Maryland 21202

Re: J. Jaime Garcia
Elvira Garcia

><><><><><><><><>

Dear David:

In securing the corporate offices of Chef Garcia Mexican Foods, a loaded handgun was discovered in a desk used by Jim Garcia, and was removed from the premises by the police. Accordingly, I have instructed the employees to box up the personal belongings and any apparently personal papers of either Mr. or Mrs. Garcia and to transport these items to my office in Crofton, where you may make arrangements for their retrieval. Under no circumstances will Mr. or Mrs. Garcia be allowed onto the premises of either manufacturing facility, given this latest discovery.

Very truly yours,

David J. Norman

David J. Norman

cc: Ronald D. Kirstien
Harvey Rothstein
Sandra L. Hughes, Esq.

EXHIBIT

84-10001
1/2

16,000.00
+ 20% interest =
20,000.00

CRESTAR

Crestar Financial Corporation
Richmond, Virginia

68-186 / 514

4933736

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS



SN - 4933736, B-SARATOGA BRANCH T-4002

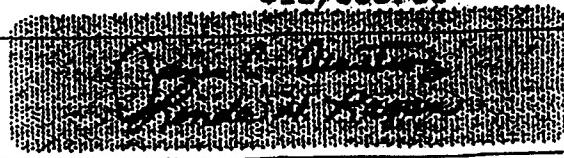
JUL 23 1997 ■ SIXTEEN THOUSAND DOLLARS AND 00 CENTS
\$16,000.00

Pay To The
Order of *** CHEF GARCIA MEXICAN FOODS ***

CASHIER'S CHECK

PURCHASER:
ELVIRA GARCIA

VOID OVER \$16,000.00



NON-NEGOTIABLE

EXHIBIT

113

DEPOSIT TICKET		
 First National Bank of Maryland BALTIMORE, MARYLAND		
PLEASE BE SURE THAT ALL ITEMS ARE PRESENT AND THAT EACH CHECK IS PAID SEPARATELY. Checks and other items are received by depositors at their own risk. At the Uniform Commercial Code (or any applicable collection statute), the bank is not liable for non-payment or non-delivery of checks and other items. (Code of Maryland, Article 5, § 101 et seq.) IMMEDIATE WITHDRAWAL		
DATE	DOLLARS	CENTS
7-23-93		
CURRENCY \$100.00 \$50.00 \$20.00 \$10.00 \$5.00 \$2.00 \$1.00 \$0.50 \$0.25 \$0.10 \$0.05 \$0.01		
CHECKS BY CHECK NUMBER 68-186 16000.00 66-156 1880.00 37-7120 1005.70 48-7270 9312.36 68-32 16.43 6		
COINS 100 50 25 10 5 2 1 0.5 0.25 0.10 0.05 0.01		
DEPOSIT TO ACCOUNT OF: Cashiers Cr Contingent Pastore P.A. Atlanta 10520001131: 191 2329 711		
CHEF GARCIA, INC. OPERATING ACCT.		
Deposits may not be available for immediate withdrawal 85 dpi: A9410		
TRANSACTION RECEIPT		

CARDHOLDER IDENTIFICATION		
CARDHOLDER STREET ADDRESS 8118 Northumberland Rd		
CITY Springfield		STATE VA
ZIP CODE 22153		ZIP CODE
IDENTIFICATION NO./DRIVER'S LIC. NO. ETC. DL 552066774		
PRINTED 4 DIGITS (VISA ONLY)		
DATE 07/23/97		AUTHORIZATION 305395
TELLER 5141		BRANCH 27051
CASH DISBURSEMENT DRAFT		
TOTAL 3000		

IMPORTANT:
RETAIN THIS COPY
FOR YOUR RECORDS.

CARDHOLDER IDENTIFICATION		
CARDHOLDER STREET ADDRESS 8118 Northumberland Rd.		
CITY Springfield		STATE VA
ZIP CODE 22153		ZIP CODE
IDENTIFICATION NO./DRIVER'S LIC. NO. ETC. DL 552066774		
PRINTED 4 DIGITS 11/30/90		
DATE 07/23/97		AUTH. NO. 11/30/90
TELLER 1001		
BRANCH 1530		
CASH ADVANCE/CASH DISBURSEMENT DRAFT		
TOTAL 3000.00		

IMPORTANT:
RETAIN THIS COPY
FOR YOUR RECORDS.

SAFEPERF U.S. Pat. 4,403,793

CUSTOMER COPY

CARDHOLDER ADDRESS		
STREET 8118 NORTHUMBERLAND RD		PRINTED DIGITS 51309
CITY SPRINGFIELD		STATE VA
ZIP CODE 22153		ZIP CODE
IDENTIFICATION		
TELLER 0728		BRANCH 575009
AUTHORIZATION 575009		
DRIVER'S LICENSE NO. VA 5520010774 1177		
DATE 07/23/97		
CASH ADVANCE/ CASH DISBURSEMENT DRAFT		
AMOUNT ADVANCED 10,000.00		

CUSTOMER COPY

IMPORTANT: RETAIN THIS COPY FOR YOUR RECORDS

Holder of the charge card identified above is to pay to bearer the amount shown as
reimbursement, that will pay said amount, with any charges due thereon, to said
holder or to the charge card agreement governing the use of said card.